

AR27



STEINBERG'S LIMITED
ANNUAL REPORT
1971



Contents

	<i>Page</i>
Report to Shareholders	3
Financial and Operating Review	5
Our Business Locations	8
Responsibility . . . and concern	10
Steinberg's Limited and Subsidiary Companies	
Consolidated Balance Sheet	12
Consolidated Statement of Retained Earnings	14
Consolidated Statement of Earnings	15
Steinberg's Limited and Retail and Manufacturing Subsidiary Companies	
Consolidated Statement of Earnings	16
Ivanhoe Corporation and Subsidiary Companies	
Consolidated Statement of Earnings	17
Steinberg's Limited and Subsidiary Companies	
Consolidated Statement of Source and Use of Working Capital	18
Notes to Consolidated Financial Statements	19
Ten-Year Statistical Review	22
Directors and Officers	24

COVER:

Our cover illustrates a family—typical of the thousands of customers and employees who have served as the inspiration for our family symbol.

On peut obtenir un exemplaire français du présent rapport annuel en s'adressant au Secrétaire de la Compagnie, 110 ouest, boulevard Crémazie, Montréal 351, Québec.

MARCEL INKEL

DIRECTOR
PUBLIC RELATIONS
STEINBERG'S LIMITED

110 CREMAZIE BLVD. W.
MONTREAL 11, QUE.
TEL.: 384-9770

PAUL GRENIER

ASSISTANT TO DIRECTOR
PUBLIC RELATIONS
STEINBERG'S LIMITED

110 CREMAZIE BLVD. W.
MONTREAL 11, QUE.
TEL.: 384-9770

HEAD OFFICE

Place Cremazie, 110 Cremazie Boulevard West,
Montreal 351, Quebec

1971 Annual Report

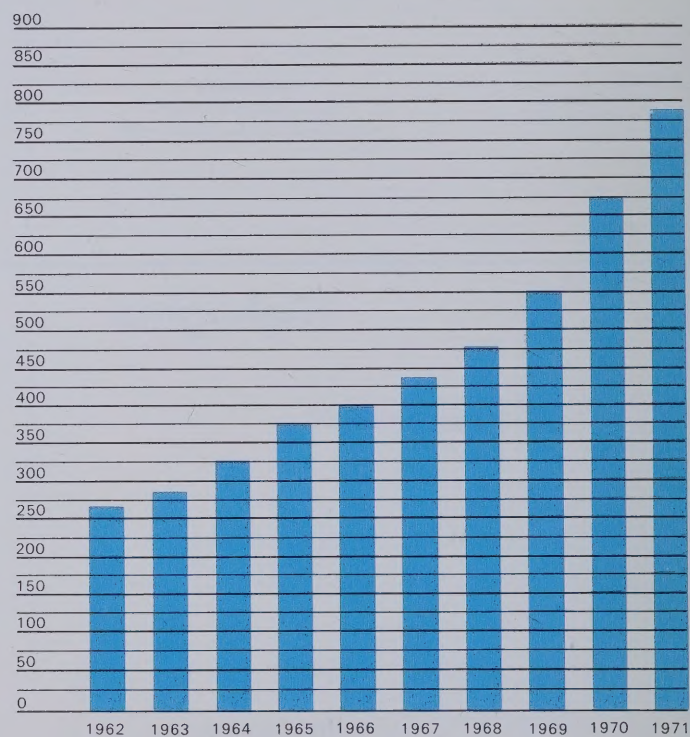
Highlights

	1971 (53 weeks)	1970 (52 weeks)
Sales	\$786,407,000	\$679,650,000
Net Earnings	9,459,000	9,317,000
Earnings per share	1.37	1.34
Dividends per share (Common and Class "A")	0.36	0.36
Book Value per share	13.41	12.36
Working capital	9,151,000	10,846,000
Capital Expenditures	18,428,000	11,631,000
Long term debt	82,943,000	80,909,000
Shareholders' Equity	104,488,000	98,083,000

Sales

For Fiscal Years 1962-1971

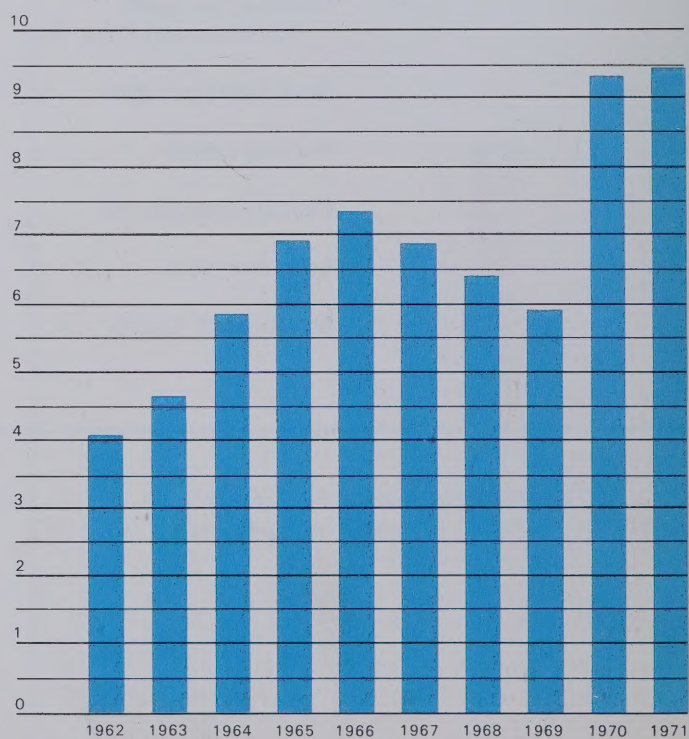
Millions of Dollars



Net Earnings After Taxes

For Fiscal Years 1962-1971

Millions of Dollars



Report to the Shareholders

We are pleased to report that during 1971 your Company and its subsidiaries again achieved record sales and that net earnings rose slightly above last year's all-time high.

This was accomplished despite the greatly intensified price competition which characterized the last two thirds of the fiscal year. The success of our Miracle Discount Price policy—initiated almost three years ago—induced competitors during the year to adopt their own low-price policies. A period followed during which margins were under severe pressure, however the Company's competitive position was not adversely affected.

It is gratifying to note that throughout the year Steinberg's maintained its position of low-price leadership, as evidenced by weekly independent surveys of prices charged in the retail food trade.

Steinberg's not only retained the confidence of its existing customers but attracted many new ones. Consolidated sales for the 53 weeks ended July 31, 1971 increased by over \$106 million to \$786,407,000—a gain of 15.7% over last year's record sales of \$679,650,000.

Net earnings fluctuated throughout the year. Comparing 1971 with the previous year, they advanced substantially in the first quarter, declined in the second and third quarters and

recovered well in the fourth quarter. For the year as a whole, net earnings improved to \$9,459,000 from last year's total of \$9,317,000. Earnings per Common and Class "A" share were \$1.37 compared to \$1.34 a year ago.

Virtually all elements of cost increased during 1971. This fact plus the new emphasis on discounting among competitors made it increasingly necessary for us to achieve economies and increase productivity. To attain our planned objectives—to increase the customer count in our stores, the volume of sales per customer, the total sales per store and our overall share of market—we had to find new and improved ways of storing, distributing, displaying and selling goods.

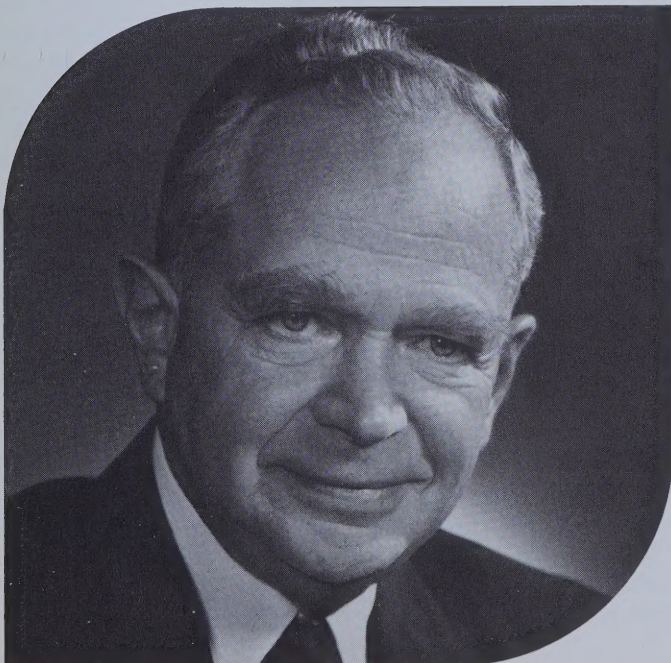
Our 1971 performance is testimony to the imagination, dedication and effort which Steinberg men and women brought to that challenging task.

All areas of our consolidated operations, except Miracle Mart, achieved their planned volume of sales. Management is devoting particular attention to this division and we feel confident of being able to report improved performance for our department stores in 1972.

During the year the Company improved its retail facilities by new construction, modernization and the closing of less efficient units. Three Miracle Mart department stores and

Sam Steinberg,
*Chairman of the Board
and Chief Executive Officer*

© Karsh



Melvyn A. Dobrin,
President

© Gaby



seven new food stores were opened. Two of the latter were "Family Centres", a new merchandising concept which combines in a single store and with one set of check outs a modern supermarket and a large general merchandise area. Three older food stores were closed. At the year-end Steinberg's operated 180 supermarkets and 26 Miracle Marts.

Toward the end of the year a new company, Cardinal Distributors (1970) Limited, was formed to operate a chain of conveniently located catalogue sales stores offering national brand general merchandise at discount prices. Four such stores were opened in the Montreal area.

Our capital expenditures totalled more than \$18 million. Related to this expansion, \$15,000,000 was raised by the issue of 8½% first mortgage sinking fund bonds of a new subsidiary, Steinberg Realty Limited.

In fiscal 1972 we plan to open two new department stores and eight or nine food stores, including three Family Centres. In addition we will fully modernize several food and department stores, construct a new shopping centre at Lachine, Quebec, and improve several of our older centres by constructing modern entrances and mall enclosures.

During 1972 we intend in every possible way to continue our fight against the upward trend of retail prices, particularly food prices. As in the past, it will be our policy to increase retail food prices only when suppliers' prices to us are increased—and then only if our productivity gains are insufficient to permit us to absorb such increases.

Our Company's objectives are related to its responsibilities to its customers, shareholders and creditors, its employees and finally to the community at large.

In the community we try to act as a responsible and responsive corporate citizen.

For customers our policy is to provide service and quality at the lowest possible price.

These objectives underlie our responsibility to shareholders and creditors, for the security of their investment depends on our acceptance in the community and the market place. For our employees, the realization of our profit objectives provides their best assurance of job security and opportunity for personal growth.

For Steinberg's, the success and fulfilment of the individual employee provides the best assurance of the Company's own continued progress.

Recognition of these facts has led Steinberg's in recent years to place increasing emphasis on a concept of decentralized operations. We encourage the development of distinct operating divisions with a high degree of autonomy. As always, we place reliance on *people* rather than on structures or procedures.

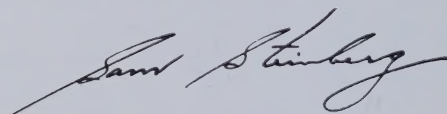
The whole world is reacting against impersonal values, relationships and decisions. Thus it becomes more and more important to encourage at every level the participation of the people concerned—and that those involved in the decision-making process have a *concern for people*. That concern must find expression in new and better ways of satisfying consumer needs, better employee and union relations, improved relations with public bodies such as government agencies and effective communications with all with whom we deal.

We are fortunate at Steinberg's to have so many talented men and women who exemplify this concern—not only in their daily work but also in their outside interests. We show a few of them elsewhere in this report.

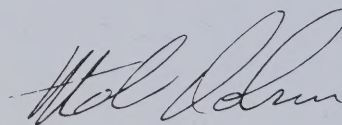
Retailing is a challenging business and the past few years have been testing times. However, we are proud that while maintaining its position of low price leadership, Steinberg's has continued to show sustained sales growth and profitability. The Directors expect this trend to continue. There is every reason to believe that 1972 will witness further significant improvement in all areas of our business.

The strength of the Company resides in its people. It is their creativity, energy and concern which justifies the Directors' optimism of future progress.

On behalf of the Board,



Chairman of the Board



President

November 8, 1971.

Financial and Operating Review

Sales Exceed \$786 Million

Steinberg's retail and manufacturing sales rose sharply to a new record high of \$786,407,000. This surpassed last year's total of \$679,650,000 by 15.7%. It continues the upward trend of the past decade during which the Company's sales have more than tripled. Sales and operating revenue totalled \$792,821,000, up from \$685,713,000 in 1970.

All divisions and controlled subsidiaries contributed to the new sales records by increasing their individual volume of sales. (Sales of Supermarchés Montréal, in which Steinberg's has a 49% interest, are not included in the above totals.)

Net Earnings Highest Ever

Consolidated net earnings amounted to \$9,459,000. They exceeded by 1.5% the \$9,317,000 earned last year. Although partially attributable to an extra week of operations and lower income taxes, these earnings are considered good in the light of market conditions that existed throughout most of the year. Earnings before income taxes were down slightly to \$18,631,000 from \$18,914,000 last year.

Earnings per Common and Class "A" share rose to \$1.37 from \$1.34. On a per dollar of sales basis, earnings declined from 1.37 to 1.20 cents.

Our earnings fluctuated during the year in accordance with seasonal variances and competitive conditions. Fourth quarter improvement reflected high sales volume and operating efficiencies.

Net Earnings

Quarter	1971		1970	
	Amount (thousands)	Per Share	Amount (thousands)	Per Share
1st (12 wks)	\$1,398	\$0.20	\$ 959	\$0.13
2nd (12 wks)	2,321	0.34	3,047	0.45
3rd (12 wks)	552	0.08	1,117	0.16
4th (17 wks)	5,188	0.75	4,194*	0.60
Fiscal year	\$9,459	\$1.37	\$9,317	\$1.34

* 16 wks

Following the practice adopted in recent years, the accompanying financial statements show not only the consolidated earnings of the entire enterprise but also separate statements of consolidated earnings for (a) Steinberg's Limited and its retail and manufacturing subsidiaries, and (b) Ivanhoe Corporation and its real estate subsidiaries.

Income Taxes

The provision for income taxes is less than in the preceding year by \$447,000. Of this amount \$150,000 is attributable to the reduction in earnings before income taxes. An increase in non-taxable income accounts for a further reduction of approximately \$160,000. Elimination of the 3% temporary surcharge from the calculation of Deferred Taxes accounts for the major part of the remaining decrease.

Distribution Of Earnings For Fiscal Years 1962-1971

Millions of Dollars

20.0

18.0

16.0

14.0

12.0

10.0

8.0

6.0

4.0

2.0

0.0

1962 1963 1964 1965 1966 1967 1968 1969 1970 1971

- Federal and Provincial Income Taxes (Including deferred taxes)
- Dividends paid to Shareholders
- Earnings Retained in the company

Assets and Liabilities

Our consolidated assets increased to \$266,685,000 from last year's total of \$252,950,000. In the main this reflects an increase in merchandise inventories from \$55.7 million to \$59 million plus substantial net additions to retail and manufacturing facilities and to real estate.

During the year a new real estate subsidiary, Steinberg Realty Limited, was formed to acquire and finance a number of developed properties previously owned by other companies of the Ivanhoe group. The acquisition was funded by the issue of \$15,000,000 8½% first mortgage sinking fund bonds.

Steinberg's was able during the year to purchase at favourable prices \$5,246,000 of various sinking fund bonds, which were redeemed and cancelled. Of this amount \$2,852,000 was in excess of annual sinking fund requirements. The Company also repaid interim financing which fell due amounting to \$4,721,000 and reclassified \$4,000,000 debt as current notes payable. These amounts total approximately \$14,000,000 as shown in the Statement of Source and Use of Working Capital under the caption "Reduction of long-term debt".

Notes payable increased by \$8,537,000 due to reclassification of long-term debt as mentioned above and because of anticipated short-term requirements.

Working capital, the excess of current assets over current liabilities, declined from \$10,846,000 to \$9,151,000. Current

assets of \$77.8 million were 1.13 times current liabilities of \$68.8 million. The Statement of Source and Use of Working Capital is shown on page 18.

Dividends and Shareholders' Equity

The Company paid its shareholders preferred dividends totaling \$5.25 per share. Quarterly dividends aggregating 36 cents per share were paid to holders of the Common and Class "A" shares. Total dividends paid amounted to \$2,608,000.

A total of 37,765 Class "A" shares were issued to employees pursuant to stock options and the Steinberg Employee Stock Purchase Plan 1970. The Company redeemed 11,993 of its 5¼% cumulative redeemable preferred shares, Series "A" at a gain to the Company of \$306,000. A by-law, confirmed by Supplementary Letters Patent, reduced the Company's authorized capital by cancelling 14,342 preferred shares (this total including shares previously redeemed).

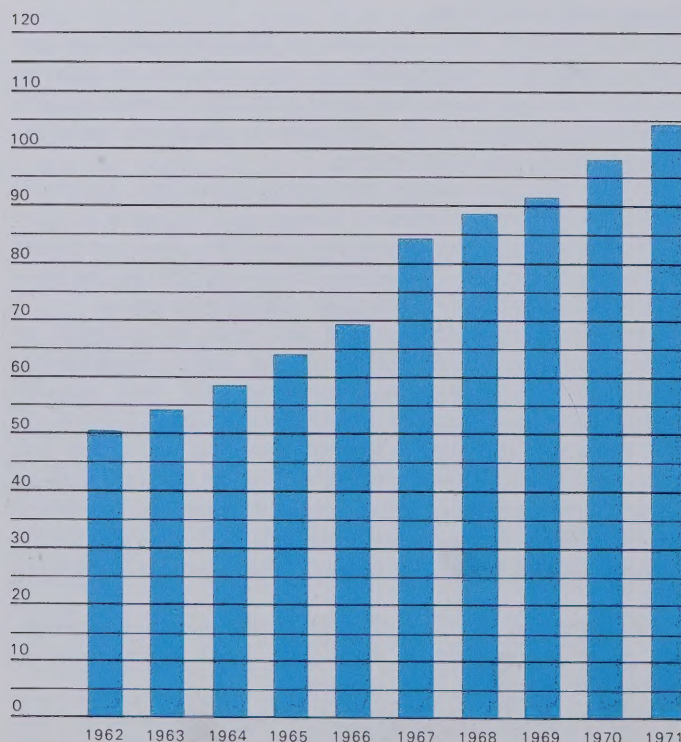
At the year-end our equity capital was \$104.5 million, an increase of \$6.4 million. Retained earnings of the previous year, increased earnings for 1971, the gain on redemption of preferred shares, the reduction of dividends due to such redemption, as well as the issuance of additional Class "A" shares were factors which tended to increase equity capital and which greatly outweighed the reduction of capital occasioned by the redemption of preferred shares.

Shareholders' Equity was \$13.41 per share compared with \$12.36 a year ago. The rate of return on equity was 9.05% compared with 9.50% for 1970.

Growth of Shareholders' Equity

For Fiscal Years 1962-1971

Millions of Dollars



Operating Divisions and Subsidiaries

Ontario and Quebec Divisions. . .

Our retail food divisions both experienced substantial sales increases. Competing vigorously in their respective areas, each was able to maintain its position of low price leadership and extend its share of market. Earnings of these divisions initially were affected by the intensified price competition but showed exceptional recovery as the year progressed.

Ontario Division opened three new stores at Hamilton, Ajax and Windsor, and renovated several others.

Quebec Division opened four stores at LaSalle, Alma, Longueuil and Valleyfield and closed three older stores in Montreal. Several stores were fully modernized. A "first" in Canada was the test installation of the new Zonar system in the meat department of the Family Centre at LaSalle, Quebec. This system refrigerates the entire department, the cold air extending from floor to ceiling. The system permits more meat to be displayed and provides increased quality control for this important food.

At the year-end the Company operated a total of 180 food stores. These have an average sales volume that is significantly higher than that of any other retail food organization in Canada.

Miracle Mart Division. . .

Our department stores registered a substantial increase in sales but failed to attain their budgeted objectives.

Severe climatic conditions in our major market areas, as well as the legal limitation of store hours including night openings in the Province of Quebec, reduced customer traffic and sales volume. In addition, the large number of competitive stores opened during the year tended to dilute our share of market.

Additional management resources have been made available to the Division in order to effect the improvements which we consider necessary.

New Miracle Marts will be opened in fiscal 1972 at Lachine and Trois-Rivières, Quebec. Several existing stores will be modernized.

Oak Pharmacies Limited. . .

The pharmacies of this subsidiary are located in and are designed to complement our Miracle Mart stores. Eight such pharmacies offer quality drugs at a discount from regular prices. Volume is increasing with customer acceptance. Four new units will be opened in 1972.

Intercity Food Services Inc. . .

Fifty-four units (restaurants, snack bars and doughnut kiosks) were operated by this subsidiary at July 31; most were in our own shopping centres. The products and service offered by Intercity have been so well received that approximately 15 new units will be added in 1972.

The division has overcome previously reported difficulties and is operating on a more profitable basis.

Cardinal Distributors (1970) Limited. . .

Initial response to our first four "warehouse showroom" stores was good. Two more units are now open and additional stores are planned. A full-line catalogue will be available this fall. Pre-opening expenses preclude immediate profitability.

Supermarchés Montréal. . .

Results of our French affiliate are not consolidated with those of Steinberg's Limited. During the year an extensive review highlighted operating weaknesses and losses. Immediate steps were taken to upgrade personnel, improve procedures and reduce overhead. By the year-end, profitable and efficient operations were assured. We believe that the recovery of our losses is merely a matter of time. The organization is well staffed, the stores compare favourably with the best in North America and growing sales volume testifies to their popularity with French consumers. We believe that further expansion is justified.

Steinberg Foods Limited. . .

This subsidiary continued to act as the major source of supply of high quality bakery and delicatessen products to the retail food divisions. Its continued successful operations contributed significantly to consolidated profit.

Renovations were effected to the meat processing plant in Montreal during the year. Our small bakery and processing plant at Rexdale was closed. A major expansion of bakery facilities in Montreal, estimated to cost approximately \$8.5 million, has been approved. Construction is expected to commence during 1972.

Cartier Sugar Ltd. . .

This subsidiary, although an important supplier to Steinberg's, sells the great majority of its production to other users. The company's share of the total Canadian market improved slightly. Its steady, though modest, growth rate is expected to continue.

During the year the balance of Cartier's preferred stock was redeemed. Subsequent to the year-end Steinberg's acquired at a price of \$7.00 per share most of the outstanding common shares held by other shareholders. It now holds 98.5% of the common shares.

Phénix Flour Limited. . .

We hold a majority interest in Phénix Flour Limited. This young company had its best year in 1971. In an industry where overcapacity exists, Phénix operated at high capacity and achieved greater sales and a substantial increase in pre-tax profit. No income taxes are payable due to losses in previous years. Long-term debt has been reduced, working capital improved. Prospects for domestic and export sales in 1972 appear favourable.

Ivanhoe Corporation. . .

Ivanhoe is responsible for the acquisition, development and management of real properties associated with Steinberg's

business. Ownership of such properties generally remains with Ivanhoe or with its subsidiaries such as Steinberg's Properties Limited, Steinberg's Shopping Centres Limited and Steinberg Realty Limited. The Ivanhoe group benefit the parent company by providing preferred retail locations upon favourable terms. In many cases, because of an ownership interest, Steinberg's is in a position to benefit from long-term appreciation in property values.

Ivanhoe's consolidated earnings declined slightly during the year due to the completion of several major projects involving heavy financial costs during construction. Earnings are expected to increase in 1972.

Labour Relations. . .

The higher level of sales and profit recorded by Steinberg's during the fiscal year was due, in great part, to the efforts of the 22,000 full and part-time employees of the Company.

Five collective agreements were negotiated during the year. All settlements were in line with the pattern in the industry.

A five-week strike occurred in four of the Company's food stores in the Saguenay-Lac St-Jean area. This strike was settled shortly after the end of the fiscal year with the signing of a three-year agreement. The Company's major collective agreements covering employees in Montreal have expired. Negotiations have been delayed until certain inter-union difficulties, referred to the Quebec Labour Relations Commission, are resolved.

*The New Family Centre—
one stop shopping*

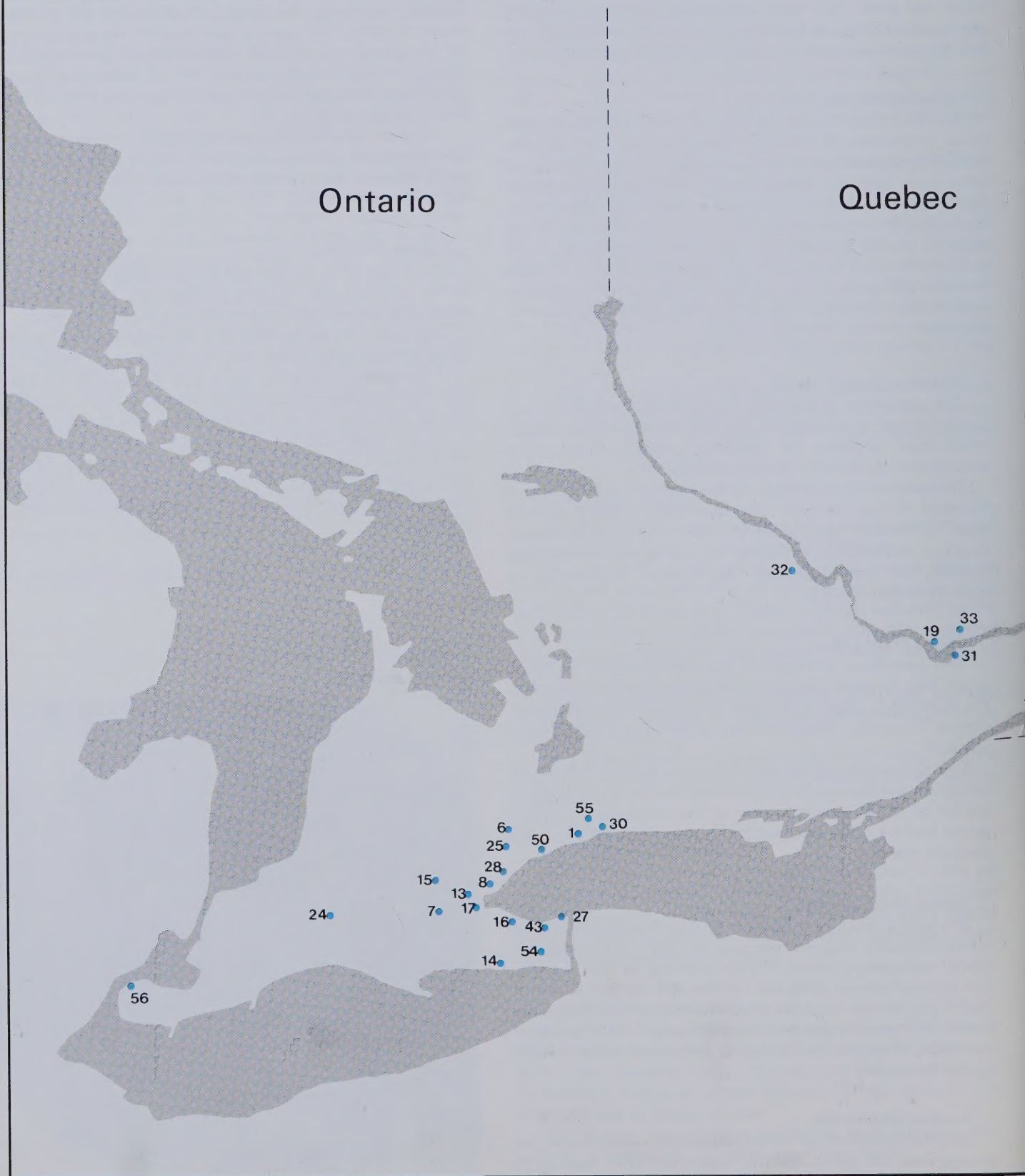


Our Business Locations

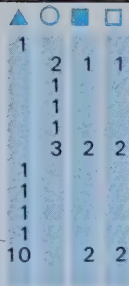
Key	No. of units		Tor.	Mtl.
▲ Steinberg Food Store	133	Warehouse	1	5
○ Miracle Food Mart	47	Sugar Refinery		1
		Flour Mill		1
■ Miracle Mart	26	Bakery		1
□ Restaurant & Snack Bar	54	Cardinal Distributors		4

- 1 Ajax
- 2 Alma
- 3 Arvida
- 4 Baie Comeau
- 5 Beloeil
- 6 Brampton
- 7 Brantford
- 8 Burlington
- 9 Chambly
- 10 Chicoutimi
- 11 Cornwall

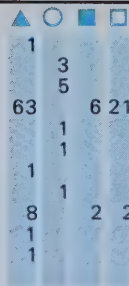
▲	○	■	□
1	1		1
1			
1			
1			
	1		
	1		
	1		
1			1
2			
1			



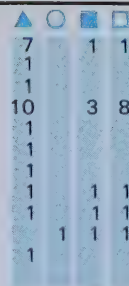
12 Drummondville
13 Dundas
14 Dunnville
15 Galt
16 Grimsby
17 Hamilton
18 Hauterive
19 Hull
20 Joliette
21 Jonquière
22 Laval



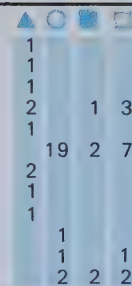
23 Lévis
24 London
25 Mississauga
26 Montréal
27 Niagara Falls
28 Oakville
29 Oromocto
30 Oshawa
31 Ottawa
32 Petawawa
33 Pointe Gatineau



34 Québec
35 Repentigny
36 Rimouski
37 Rive Sud
38 Rosemère
39 Sept-Iles
40 Shawinigan
41 Sherbrooke
42 Sorel
43 St. Catharines
44 St-Eustache



45 St-Hyacinthe
46 St-Jean
47 St-Jérôme
48 Ste-Foy
49 Ste-Thérèse
50 Toronto
51 Trois-Rivières
52 Valleyfield
53 Victoriaville
54 Welland
55 Whitby
56 Windsor



When we started in 1917, words like public relations, labour relations, consumerism and social responsibility formed no part of the Steinberg vocabulary. In fact some of these terms had not even been invented.

But every successful business, however small, operates according to a set of principles or some fundamental belief. It was our founder's belief that a merchant must give *value*—and that the value given must be greater than the customer has a right to reasonably expect. That philosophy resulted from a deep understanding of people and concern for their needs.

Over the years our Company has prospered. In great measure its success and reputation have resulted from the effort of Steinberg men and women to adhere to that simple credo. Thus in 1971, as in 1917, Steinberg's led the way in giving value—by providing high quality goods at consistently lower prices.

Value, of course, is not only a matter of price. The total shopping experience is important. Our customers shop in modern, convenient, attractive stores manned by courteous, competent people. These stores offer a tremendous variety of nationally known products and a growing selection of our own laboratory tested brands, all subject to Steinberg's unqualified guarantee of satisfaction.

As we grew, so did our staff; and so did our attention to relations with employees. Originally we saw only the need to provide good pay and working conditions. Gradually we perceived the need for an expanding range of fringe benefits. In dealing with unions, we concentrated on establishing and maintaining a climate of good faith in collective bargaining and contract administration.

The last few years have witnessed extraordinary technological, economic and social change. During this period, our employees and our customers have demonstrated a growing desire to participate more fully in the decisions which affect their lives. They want to be better informed. They question established practices. They seek an improved quality of life.

To a considerable extent, their concerns become our concerns—for ours is a people-oriented business. Perhaps the key word in the modern relationship between employer and

employee, merchant and customer, business and government, is "communication". At Steinberg's we try to keep in touch.

Keeping in touch led us to initiate Miracle Discount prices—we had learned how rising food prices were causing resentment and frustration. More recently we have begun to test Unit Pricing in our food stores. Hopefully this indication of cost per pound, per ounce or per measure will enable shoppers to make realistic price comparison between competitive goods and among packages of varying size.

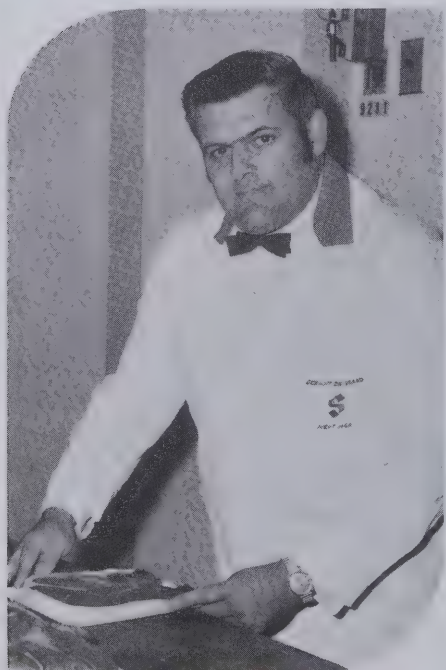
To better inform our customers, we organized during 1971 a number of consumer panel discussions, arranged tours of our bakery, warehouses and quality control laboratories, showed films, and scheduled over a hundred in-store demonstrations of how to select, cut and prepare meat. More than 2,000 new immigrants to Canada visited our plants and stores as part of their official orientation program.

We continued to meet with students at the CEGEP and junior college levels. We believe it is important that we understand their interests and concerns, and that they have some contact and dialogue with the business world. All these encounters were worthwhile; some of the student participants have since joined Steinberg's as permanent employees.

Students, employees and customers have all expressed concern to us about nutrition, pollution, poverty and a host of related problems. We try to answer these as best we can from our present knowledge and experience. Often we cannot supply answers that we ourselves consider satisfactory. Always, however, we try to improve our own performance and to influence others to take positive, progressive action.

Consumerism and ecology are words of increasing importance to Steinberg's and to all Canadians. We have much to study, to plan and to implement. During 1972 we will be increasingly preoccupied with matters such as improved date-coding of food on our shelves, the handling of returnable bottles (Ontario division has already worked with Pollution Probe volunteers toward establishing recycling depots), and our own pollution control measures.

To progress one must change. To change in a progressive, responsible way—that is Steinberg's objective.



Germain Bédard



Sheila Montgomery



Morris Caplan

and concern

Those who accomplish most are usually busy people. And busy people are often those who give more of their own leisure time to help the less fortunate, to work with the young or to assume responsibility in civic affairs. Here are a few of the busy, public spirited men and women in the Steinberg organization. We are proud of their commitment to public and social service.

Germain Bédard

Meat manager in our Ile Perrot store, Germain spends many off-duty hours as alderman in Vaudreuil. Elected for a term of four years, he is presently in charge of the Police Commission and active in recreation programs. In 1972 he will preside over the municipality's finance committee which administers a budget of over \$25 million.

Sheila Montgomery

A working mother leads a busy life, particularly when she has two young daughters at home. Sheila, a packager in our Miracle Food Mart at Burlington, Ontario, has worked with Brownies for the past eight years. Despite other personal interests which include boating and snowmobiling, she currently devotes every Monday evening to Brownie activities, acting as "Brown Owl" (senior leader) of the local troop.

Morris Caplan

The well-known manager of our Cote St. Luc food store, "Moe" Caplan, has been honoured by the Lions Club and the

Canadian Legion for his public service activities. He is particularly interested in helping blind children. For the past two years, with the assistance and financial support of the staff of his store, he has organized a sugaring off party for the 175 children of the Louis Braille and Nazareth Schools for the Blind.

Gerald Weinstein

Gerry's job as operations manager for the Miracle Mart division is a demanding one but he has been active in community and charitable work for many years. He is president of a minor league sports conference operating 17 baseball and hockey teams, works actively in the Knights of Pythias for the Red Cross blood bank and organizing delivery of Christmas baskets, and is president of the Van Horne Home and School Association.

Philip Forsey

The meat manager of the Jane and Wilson store in Toronto is an active man. Father of three children, Phil is president of the Topcliffe Parents Association, has been a Cub leader of the Boy Scout movement for the past three years, campaigns for the Cancer Fund and somehow finds time to play hockey for his store's team.

Raymond Arsenault

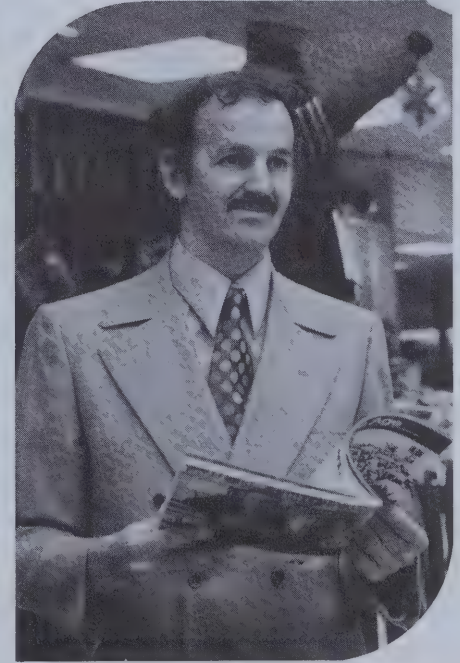
Manager of our largest Miracle Mart, at Alexis Nihon Plaza in Montreal, Raymond has recently been advisor to a group of young students in the St-Henri district. Under his guidance they formed and operated a Junior Achievement company, "La Compagnie Ceintrex" whose young employees hand-crafted and sold some 300 leather belts. The group gained valuable experience in small company operations and management. Most of the company's profit was donated to a scholarship fund for needy students.



Gerald Weinstein



Philip Forsey



Raymond Arsenault

Steinberg's Limited and Subsidiary Companies

Consolidated Balance Sheet

As at July 31, 1971

(Expressed in Thousands of Dollars)

ASSETS

1971

1970

\$

\$

CURRENT ASSETS

Cash		9,788	7,726
Marketable investments—at cost (approximately market value)		356	503
Accounts receivable		6,020	4,846
Inventories—at the lower of cost or market		59,011	55,723
Prepaid expenses		2,634	2,927
		<u>77,809</u>	<u>71,725</u>

INVESTMENTS

Sundry investments—at cost (note 2)		<u>1,589</u>	<u>1,680</u>
---	--	--------------	--------------

ASSETS OF REAL ESTATE OPERATIONS

Property

Undeveloped land—at cost plus carrying charges		18,213	17,760
Land, buildings and parking areas—at cost	109,806		
Less: accumulated depreciation	<u>22,485</u>	<u>87,321</u>	<u>79,991</u>

105,534 97,751

Investments—at cost		2,958	2,799
-------------------------------	--	-------	-------

Other assets—principally amounts recoverable on land transactions		3,392	3,945
--	--	-------	-------

111,884 104,495

FIXED ASSETS—

retail and manufacturing operations

	Cost	Accumulated depreciation		
	\$	\$		
Land and buildings	9,016	1,379	7,637	7,832
Equipment	89,885	50,169	39,716	39,592
	<u>98,901</u>	<u>51,548</u>	<u>47,353</u>	<u>47,424</u>
Leasehold improvements—at cost, less amortization			11,646	11,604
			<u>58,999</u>	<u>59,028</u>

INTANGIBLE ASSETS

Unamortized discount on long-term debt		1,222	846
Excess of cost of shares in subsidiary companies over net book value at date of acquisition		15,182	15,176
		<u>16,404</u>	<u>16,022</u>
		<u>266,685</u>	<u>252,950</u>



LIABILITIES

CURRENT LIABILITIES

	1971 \$	1970 \$
Bank advances	—	859
Notes payable	20,707	12,170
Accounts payable and accrued liabilities	45,964	43,829
Dividends payable on preferred shares	41	57
Income taxes	1,811	5,323
Current portion of long-term debt (note 3)	307	336
	<u>68,830</u>	<u>62,574</u>

LONG-TERM DEBT AND OTHER OBLIGATIONS (note 3)

Real estate operations	59,085	50,017
Retail and manufacturing operations	23,858	30,892
	<u>82,943</u>	<u>80,909</u>

DEFERRED INCOME TAXES

	8,004	8,596
--	-------	-------

MINORITY INTEREST (including preferred shares— 1971 \$1,132,000; 1970 \$1,336,000)

	<u>2,420</u>	<u>2,788</u>
--	--------------	--------------

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 4)

Authorized—

80,866 5¼% cumulative redeemable preferred shares of the
par value of \$100 each

102,000 2½% non-cumulative subordinated preferred shares
redeemable at their par value of \$98 each

4,500,000 Class "A" shares without par value—non-voting

3,500,000 common shares without par value

Issued and fully paid—

30,866 preferred shares—Series "A"	3,087	4,286
102,000 subordinated preferred shares	9,996	9,996
3,817,432 Class "A" shares	4,250	3,803
3,000,000 common shares	1,500	1,500
	<u>18,833</u>	<u>19,585</u>

CONTRIBUTED SURPLUS (note 5)

	10,486	10,180
--	--------	--------

RETAINED EARNINGS

	75,169	68,318
	<u>104,488</u>	<u>98,083</u>
	<u>266,685</u>	<u>252,950</u>

SIGNED ON BEHALF OF THE BOARD

SAM STEINBERG, *Director*

MEL DOBRIN, *Director*

Steinberg's Limited and Subsidiary Companies

Consolidated Statement of Retained Earnings

For the Year Ended July 31, 1971
(Expressed in Thousands of Dollars)

	1971	1970
	\$	\$
<i>BALANCE—BEGINNING OF YEAR</i>	68,318	61,659
Net earnings for the year	9,459	9,317
Gain on disposal of land and buildings—retail operations	—	8
	<u>77,777</u>	<u>70,984</u>
Dividends—5¼% preferred shares	164	227
—Class “A” and common shares	2,444	2,439
	<u>2,608</u>	<u>2,666</u>
<i>BALANCE—END OF YEAR</i>	<u>75,169</u>	<u>68,318</u>

Steinberg's Limited and Subsidiary Companies

Consolidated Statement of Earnings

For the Year Ended July 31, 1971
(Expressed in Thousands of Dollars)



	1971 \$	1970 \$
SALES AND OPERATING REVENUE	792,821	685,713
EXPENSES		
Cost of sales and other operating and administrative expenses	644,143	553,158
Wages and employee benefits	101,774	87,584
Directors' and officers' remuneration	801	622
Rentals and lease purchase payments	11,350	9,799
Depreciation and amortization (note 9)	10,674	10,168
	<u>768,742</u>	<u>661,331</u>
EARNINGS FROM OPERATIONS	24,079	24,382
FINANCIAL (INCOME) AND EXPENSES		
Interest and amortization of discount on long-term debt	5,432	5,716
Other interest	1,597	1,037
Financial income, including interest earned and gain on redemption of long-term debt	(1,581)	(1,285)
	<u>5,448</u>	<u>5,468</u>
EARNINGS BEFORE INCOME TAXES	18,631	18,914
INCOME TAXES		
Current	9,111	8,393
Deferred	(111)	1,054
	<u>9,000</u>	<u>9,447</u>
EARNINGS BEFORE MINORITY INTEREST	9,631	9,467
MINORITY INTEREST	172	150
NET EARNINGS FOR THE YEAR	9,459	9,317
NET EARNINGS PER CLASS "A" AND COMMON SHARE (note 10)	\$ 1.37	\$ 1.34
Represented by:		
Retail and manufacturing companies (after eliminating dividends from Ivanhoe Corporation of \$750,000 in each year)	8,136	7,940
Real estate companies	1,323	1,377
	<u>9,459</u>	<u>9,317</u>

Steinberg's Limited and Retail and Manufacturing Subsidiary Companies

Consolidated Statement of Earnings

For the Year Ended July 31, 1971
(Expressed in Thousands of Dollars)

	1971 \$	1970 \$
SALES		
% increase 1971—15.71%; 1970—22.83%	<u>786,407</u>	<u>679,650</u>
OPERATING EXPENSES		
Cost of sales and other operating and administrative expenses	642,008	551,443
Wages and employee benefits	101,917	87,627
Rentals and lease purchase payments	16,445	15,146
Depreciation and amortization (note 9)	8,227	7,654
% increase 1971—16.12%; 1970—21.73%	<u>768,597</u>	<u>661,870</u>
EARNINGS FROM OPERATIONS	<u>17,810</u>	<u>17,780</u>
FINANCIAL EXPENSES		
Interest and amortization of discount on long-term debt	1,809	2,266
Other interest	1,427	1,002
	<u>3,236</u>	<u>3,268</u>
	<u>14,574</u>	<u>14,512</u>
FINANCIAL INCOME		
Income from investments—		
Interest on advances—Ivanhoe Corporation	1,416	1,462
Dividends on preferred shares—		
Ivanhoe Corporation	750	750
Other, including interest earned and gain on redemption of long-term debt	704	648
	<u>2,870</u>	<u>2,860</u>
EARNINGS BEFORE INCOME TAXES	<u>17,444</u>	<u>17,372</u>
INCOME TAXES		
Current	8,714	7,925
Deferred	(262)	700
	<u>8,452</u>	<u>8,625</u>
EARNINGS BEFORE MINORITY INTEREST	<u>8,992</u>	<u>8,747</u>
MINORITY INTEREST	<u>106</u>	<u>57</u>
NET EARNINGS FOR THE YEAR	<u><u>8,886</u></u>	<u><u>8,690</u></u>

Ivanhoe Corporation and Subsidiary Companies

Consolidated Statement of Earnings

For the Year Ended July 31, 1971
(Expressed in Thousands of Dollars)



	1971 \$	1970 \$
REVENUE		
Rentals—Steinberg's Limited and subsidiaries	5,095	5,347
—Other	6,005	5,548
Gain on sale of land	409	515
	<u>11,509</u>	<u>11,410</u>
EXPENSES		
Operating and administrative	2,135	1,715
Wages and employee benefits	658	579
Depreciation (note 9)	2,447	2,514
	<u>5,240</u>	<u>4,808</u>
EARNINGS FROM OPERATIONS	<u>6,269</u>	<u>6,602</u>
FINANCIAL (INCOME) AND EXPENSES		
Interest and amortization of discount on long-term debt—		
Steinberg's Limited	1,416	1,462
Other	3,623	3,450
Other interest	170	35
Financial income, including interest earned and gain on redemption of long-term debt	(877)	(637)
	<u>4,332</u>	<u>4,310</u>
EARNINGS BEFORE INCOME TAXES	<u>1,937</u>	<u>2,292</u>
INCOME TAXES		
Current	397	468
Deferred	151	354
	<u>548</u>	<u>822</u>
EARNINGS BEFORE MINORITY INTEREST	<u>1,389</u>	<u>1,470</u>
MINORITY INTEREST	<u>66</u>	<u>93</u>
NET EARNINGS FOR THE YEAR	<u><u>1,323</u></u>	<u><u>1,377</u></u>

Steinberg's Limited and Subsidiary Companies

Consolidated Statement of Source and Use of Working Capital

For the Year Ended July 31, 1971
(Expressed in Thousands of Dollars)

	1971 \$	1970 \$
SOURCE OF WORKING CAPITAL		
Net earnings for the year	9,459	9,317
Items not affecting working capital—		
Depreciation and amortization	10,841	10,370
Deferred income taxes	(111)	1,054
Minority interest	172	150
Provided from operations	20,361	20,891
Additional debt and capital stock—		
Steinberg Realty Limited		
Net proceeds from issue of 8½% Series "A" bonds	14,625	—
Mortgage payable	1,000	—
Class "A" shares to employees (1971—37,765 shares; 1970—6,166 shares)	447	78
Reduction of investments and other items	312	—
Increase of minority interest	—	113
	<u>36,745</u>	<u>21,082</u>
USE OF WORKING CAPITAL		
Net additions to assets—		
Real estate property	10,230	4,009
Retail and manufacturing—fixed assets	8,198	7,622
Investments and other items	—	439
	<u>18,428</u>	<u>12,070</u>
Reduction of long-term debt	13,967	7,978
Reduction of deferred income taxes due to adjustment of capital cost allowances claimed	481	—
Reduction of minority interest	540	—
Redemption of 5¼% preferred shares—net	893	63
Dividends	2,608	2,666
	<u>36,917</u>	<u>22,777</u>
DECREASE IN WORKING CAPITAL	172	1,695
WORKING CAPITAL—BEGINNING OF YEAR	<u>9,151</u>	<u>10,846</u>
WORKING CAPITAL—END OF YEAR	<u>8,979</u>	<u>9,151</u>

Steinberg's Limited and Subsidiary Companies

Notes to Consolidated Financial Statements

For the Year Ended July 31, 1971



1. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of all companies in which Steinberg's Limited has a controlling interest, including those of Ivanhoe Corporation and its subsidiaries.

2. INVESTMENTS

Sundry investments include a minority interest (49%) amounting to \$973,000 in Supermarchés Montréal, a French company which currently operates four stores in the Paris area.

To February 28, 1971, this company has incurred gross cumulative losses of \$3,606,000 in its operations. The share of Steinberg's Limited in this deficit amounts to \$1,767,000 exclusive of future tax reductions.

No reduction in the book value of the investment has been made to reflect these losses.

Steinberg's Limited has also guaranteed loans to Supermarchés Montréal and its subsidiaries up to a total amount of 9,000,000 French francs, or their approximate equivalent of \$1,700,000 (1970—\$3,160,000).

3. LONG-TERM DEBT AND OTHER OBLIGATIONS

Real Estate Operations	1971	1970
	\$	\$
First mortgage sinking fund bonds		
IVANHOE CORPORATION		
6¼% Series "A", due 1991	5,150,000	5,150,000
6¼% Series "B", due 1991 (repayable in U.S. currency \$2,250,000; 1970—\$2,306,000)	2,428,000	2,485,000
STEINBERG'S PROPERTIES LIMITED		
4¼% Series "A", due 1980	1,415,000	1,698,000
6% Series "B", "C" and "D", due 1982-84	7,106,000	8,285,000
STEINBERG'S SHOPPING CENTRES LIMITED		
7% Series "A", due 1985	5,469,000	6,151,000
8½% Series "B", due 1994	4,602,000	4,902,000
STEINBERG REALTY LIMITED		
8½% Series "A", due 1991	15,000,000	—
	<u>41,170,000</u>	<u>28,671,000</u>
Sinking fund requirements for the above bonds total \$7,841,000 for the five ensuing years. The excess of bonds redeemed and cancelled to date over the cumulative sinking fund requirements at July 31, 1971 amounting to \$2,506,000 may be applied against these requirements.		
Mortgage loans and balances payable on land purchases		
6%—9% balances payable on land purchases	965,000	2,142,000
5½%—7½% mortgage loans, repayable in varying monthly instalments to 1985	10,719,000	11,340,000
10½% mortgage loan repayable in monthly instalments to 1996	996,000	—
	<u>12,680,000</u>	<u>13,482,000</u>
Advances		
Non-interest bearing	546,000	649,000
8%—8½% due on demand	689,000	715,000
7¼% term loan due 1972-74, repayable \$1,000,000 annually	4,000,000	6,500,000
	<u>5,235,000</u>	<u>7,864,000</u>
	<u>59,085,000</u>	<u>50,017,000</u>

Due to the nature of the real estate operations, the current portion due within one year has not been included under current liabilities. This portion will be financed in the same period, from rental income under lease agreements which has not been included in accounts receivable.

Notes to Consolidated Financial Statements

For the Year Ended July 31, 1971—Continued

3. LONG-TERM DEBT AND OTHER OBLIGATIONS (cont'd)

Retail and Manufacturing Operations

Sinking fund debentures

STEINBERG'S LIMITED

5½% due June 15, 1984—Series "A"	
6½% due April 15, 1986—Series "B"	

1971	1970
\$	\$
11,330,000	12,053,000
10,940,000	12,962,000
<u>22,270,000</u>	<u>25,015,000</u>

Sinking fund requirements for the above bonds are \$1,000,000 for each of the ensuing five years. The excess of bonds redeemed and cancelled to date over the cumulative sinking fund requirements at July 31, 1971 amounting to \$2,730,000 may be applied against these requirements.

Notes payable

6½% due June 1, 1972	3,000,000
8% due 1970-71	1,000,000
	<u>4,000,000</u>

Other obligations

8½% Industrial Development Bank loan secured by first mortgage bonds repayable in annual instalments of at least \$223,000	1,895,000	2,118,000
Miscellaneous	—	95,000
	<u>1,895,000</u>	<u>6,213,000</u>
	24,165,000	31,228,000
	<u>307,000</u>	<u>336,000</u>
	<u>23,858,000</u>	<u>30,892,000</u>

Current portion due within one year

4. CAPITAL STOCK

- The 2½% subordinated preferred shares are subject to restrictions that no dividend will be payable thereon prior to August 1, 1972 and none of the shares may be retired prior to August 1, 1972. Thereafter, the company may redeem such shares to a maximum of \$1,000,000 in each year.
- The company has reserved 417,799 Class "A" shares as follows:
 - 256,100 shares for options to senior employees, consisting of—
 - 19,875 shares at a price of \$10 per share exercisable at various times to November 30, 1973.
 - 173,950 shares at \$12 per share exercisable at various times to November 30, 1978.
 - 4,375 shares at \$14 per share exercisable at various times to November 30, 1978.
 - 57,900 shares reserved for future allocation at a price to be determined by the Board of Directors but not less than 90% of the market value at the time of allocation.
 - 161,699 shares for subscription rights under the Employee Stock Purchase Plan—1970 which will be in effect until February 28, 1973, and consisting of—
 - 41,243 shares at \$12 per share.
 - 10,257 shares at \$14 per share.
 - 110,199 shares reserved for future subscriptions which may be received between February 2 to 15, 1972, at a price not less than 90% of market value at the time of subscription.
- During the year 37,765 Class "A" shares were issued to employees for cash of \$447,000. In addition 11,993 5¼% preferred shares—Series "A" were redeemed. A total of 14,342 5¼% preferred shares have been redeemed to date.
- Under a by-law confirmed by supplementary letters patent dated July 16, 1971 the 5¼% cumulative, redeemable preferred shares of the par value of \$100 each have been reduced by 14,342 shares.

5. CONTRIBUTED SURPLUS

The contributed surplus as at July 31, 1971 consists of a premium on issue and conversion of shares amounting to \$10,180,000 with respect to prior years and of a gain on redemption of 5¼% preferred shares amounting to \$306,000 during 1971.

6. RETIREMENT PLAN

There is an obligation for past service pension benefits amounting to \$416,000 in accordance with an actuarial valuation as at July 26, 1970. This obligation is being satisfied by annual payments of \$33,000, with the final payment to be made in 1990.

7. LONG-TERM LEASES

The aggregate minimum rentals, exclusive of additional amounts based on percentage of sales, taxes, insurance and other occupancy charges under long-term leases in effect July 31, 1971 for each of the periods shown are as follows:

	Payable to Ivanhoe Corporation and subsidiaries \$	Payable to others \$
1972-76	22,291,000	45,709,000
1977-81	19,012,000	41,584,000
1982-86	13,399,000	36,150,000
1987-91	11,010,000	28,409,000
After 1991	657,000	15,024,000
	<u>66,369,000</u>	<u>166,876,000</u>

8. CONTINGENT LIABILITIES

a) Legal action

A legal action claiming \$1,000,000 was instituted in 1965 against Ivanhoe Corporation for an alleged breach of sale agreement in connection with a property transaction. Counsel for the company is of the opinion that this action is unfounded. The action has not yet been tried.

b) Income taxes

As reported in prior years, the Deputy Minister of Revenue of the Province of Quebec instituted legal action against the company claiming taxes for the years 1951 to 1963 inclusive, aggregating \$902,000 including interest to date of the action, on profits made through the disposition of capital assets. Judgement was awarded in favour of the company in the Quebec Superior Court; however the Deputy Minister of Revenue has appealed the judgement to the Quebec Court of Appeal. The appeal has not yet been heard.

c) Guarantee

Ivanhoe Corporation has guaranteed bank loans, amounting to \$2,064,000 of companies in which it has ownership interests.

9. DEPRECIATION AND AMORTIZATION

Depreciation of fixed assets is computed on the straightline method at rates which are sufficient to amortize the costs over their estimated useful lives.

10. NET EARNINGS PER CLASS "A" AND COMMON SHARE

Exercise of the outstanding options and subscription rights to purchase Class "A" shares would not have a significant dilutive effect on earnings per Class "A" and common share.

11. COMPARATIVE FIGURES

Certain figures on the consolidated statements of earnings for the year ended July 25, 1970 have been reclassified to conform with the presentation adopted in the current year.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Steinberg's Limited and its subsidiaries as at July 31, 1971 and the consolidated statements of earnings (including the consolidated statements of earnings of Steinberg's Limited and its retail and manufacturing subsidiaries and of Ivanhoe Corporation and its subsidiaries), retained earnings and source and use of working capital for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at July 31, 1971 and the results of their operations and the source and use of their working capital for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

McDonald, Currie & Co.
Chartered Accountants.

Montreal, October 8, 1971.

Steinberg's Limited and Subsidiary Companies

Ten-Year Statistical Review

(Expressed in Thousands of Dollars)

	1971	1970	1969	1968
Sales—retail and manufacturing companies . . .	\$786,407	\$679,650	\$553,335	\$480,125
Salaries & Wages and Employee Benefits	\$102,575	\$ 88,206	\$ 77,314	\$ 69,835
Depreciation and Amortization . . .	\$ 10,674	\$ 10,168	\$ 9,389	\$ 8,349
Income Taxes (Federal and Provincial) . . .	\$ 9,111	\$ 8,393	\$ 3,952	\$ 5,139
Income Taxes (Deferred)	\$ (111)	\$ 1,054	\$ 1,685	\$ 2,184
Net Earnings for the Fiscal Year . . .	\$ 9,459	\$ 9,317	\$ 5,909	\$ 6,402
Net Earnings per Dollar of Sales . . .	1.20¢	1.37¢	1.07¢	1.33¢
Net Earnings per Share (Common and Class "A") . (1)	\$ 1.37	\$ 1.34	\$ 0.84	\$ 0.91
Inventories	\$ 59,011	\$ 55,723	\$ 47,412	\$ 41,618
Working Capital (2)	\$ 8,979	\$ 9,151	\$ 10,846	\$ 4,863
Total Assets (2)	\$266,685	\$252,950	\$244,808	\$227,554
Shareholders' Equity (Book Value)	\$104,488	\$ 98,083	\$ 91,410	\$ 88,276
Percent return on Equity	9.05%	9.50%	6.46%	7.25%
Equity per Share (Common and Class "A") . . .	\$ 13.41	\$ 12.36	\$ 11.37	\$ 10.89
Dividends to Shareholders	\$ 2,608	\$ 2,666	\$ 2,671	\$ 2,665
Capital Expenditures	\$ 18,428	\$ 11,631	\$ 16,860	\$ 21,616
Food Stores	180	176	178	175
Department Stores	26	23	22	15

(1) The figures for 1965 and prior years have been adjusted to reflect the subdivision of the Common and Class "A" shares on a 2-1 basis in 1966.

(2) The figures for 1967 and subsequent years reflect the consolidation of Ivanhoe Corporation—(note 1 of financial statements).



1967	1966	1965	1964	1963	1962
\$439,496	\$400,883	\$379,097	\$327,227	\$286,810	\$267,965
\$ 59,239	\$ 50,812	\$ 43,436	\$ 35,969	\$ 30,425	\$ 26,147
\$ 6,015	\$ 4,396	\$ 4,094	\$ 3,761	\$ 3,399	\$ 3,145
\$ 6,238	\$ 7,672	\$ 7,865	\$ 6,274	\$ 4,830	\$ 4,194
\$ 761	\$ 214	\$ 210	\$ 179	\$ 123	\$ 126
\$ 6,875	\$ 7,371	\$ 6,918	\$ 5,833	\$ 4,679	\$ 4,011
1.56¢	1.84¢	1.82¢	1.78¢	1.63¢	1.50¢
\$ 0.99	\$ 1.07	\$ 1.01	\$ 0.85	\$ 0.78	\$ 0.66
\$ 39,462	\$ 31,059	\$ 28,123	\$ 25,018	\$ 19,908	\$ 16,707
\$ 13,114	\$ 31,222	\$ 24,325	\$ 21,455	\$ 11,183	\$ 10,619
\$213,341	\$130,793	\$106,847	\$102,959	\$ 82,411	\$ 73,189
\$ 84,859	\$ 69,839	\$ 64,227	\$ 58,881	\$ 54,724	\$ 50,732
8.10%	10.55%	10.77%	9.91%	8.55%	7.91%
\$ 10.51	\$ 9.81	\$ 9.04	\$ 8.28	\$ 7.57	\$ 6.90
\$ 2,645	\$ 2,431	\$ 2,136	\$ 1,780	\$ 1,457	\$ 1,384
\$ 16,919	\$ 13,794	\$ 7,053	\$ 5,134	\$ 5,299	\$ 4,029
168	157	148	143	141	138
15	11	10	8	5	2

Directors

André Charron, Q.C.
President
Levesque, Beaubien Inc.

Melvyn A. Dobrin
President
Steinberg's Limited

James N. Doyle
Vice-President, General Counsel & Secretary
Steinberg's Limited

William Howieson
Vice-President & Comptroller
Steinberg's Limited

Sen. Lazarus Phillips, O.B.E., Q.C.
Senior Partner
Phillips, Vineberg, Goodman,
Phillips & Rothman

Gérard Plourde
Chairman of the Board
U A P Inc.

H. Arnold Steinberg
Executive Vice-President
Administration & Finance
Steinberg's Limited

Morris Steinberg
President
Cardinal Distributors
(1970) Limited

Nathan Steinberg
Vice-Chairman of the Board
& Senior Vice-President
Steinberg's Limited

Sam Steinberg
Chairman of the Board
Steinberg's Limited

Officers

Sam Steinberg
Chairman of the Board
& Chief Executive Officer

Nathan Steinberg
Vice-Chairman of the Board
& Senior Vice-President

Melvyn A. Dobrin
President

Jack Levine
Executive Vice-President
Retailing

Oscar Plotnick
Executive Vice-President
& General Manager
Ontario Division

H. Arnold Steinberg
Executive Vice-President
Administration & Finance

Norman Auslander
Vice-President
Sales & Operations
Ontario Division

James N. Doyle
Vice-President, General Counsel & Secretary

William Howieson
Vice-President & Comptroller

Guy Normandin
Vice-President & General Manager
Steinberg Foods Limited

Donald S. Rogers
Vice-President & General Manager
Miracle Mart Division

Gerry Spitzer
Vice-President Sales & Operations
Quebec Division

Henri Tremblay
Vice-President, Personnel

Ls-Gilles Gagnon
Assistant Secretary

Active Subsidiary Companies

Cardinal Distributors (1970) Limited
Morris Steinberg
President

Cartier Sugar Ltd.
John A. Lang
President

Intercity Food Services Inc.
Lewis Steinberg
President

Ivanhoe Corporation
Morrie Rohrluck
Vice-President & General Manager
Shopping Centres

Oak Pharmacies Limited
Donald S. Rogers
President

Phénix Flour Limited
Gaston H. Phénix
Chairman of the Board
John A. Lang
President

Steinberg Foods Limited
Guy Normandin
Vice-President & General Manager

Transfer Agent

Montreal Trust Company
Montreal-Toronto

Registrar

The Royal Trust Company
Montreal-Toronto

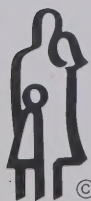
Stock Exchange Listings

—Class "A" and Preferred Shares

Montreal Stock Exchange
Toronto Stock Exchange

Auditors

McDonald, Currie & Co.
Montreal



©

*Serving Canadian Families
since 1917*